GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:280
ANSWERED ON:31.08.2007
NON-PERFORMING ASSETS
Appadurai Shri M.

Will the Minister of FINANCE be pleased to state:

(a) whether the Non-Performing Assets (NPA) of Public Sector Banks are getting added up every year through fresh slippages;

(b) if so, the details thereof for the last two years, Bank-wise; and

(c) the action being taken by the Government in this regard?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.280 FOR 31st AUGUST, 2007 REGARDING NON- PERFORMING ASSETS TABLED BY SHRI M. APPADURAI

(a) & (b): There are always fresh slippages which add to the Non-performing Assets (NPAs) of banks. Despite such fresh slippages the Gross NPAs of public sector banks (PSBs) have decreased from Rs.42,117 crore as on 31st March 2006 to Rs.38,957 crore as on 31st March 2007. Bank-wise details of gross and net NPAs of PSBs as on 31st March 2006 and 31st March 2007 are given in Annex.

(c) Government of India and Reserve Bank of India have stipulated certain steps for expeditious recovery of NPAs by PSBs / FIs, which, inter-alia, include evolving and implementing a recovery policy by the banks, filing of suits in civil courts / DRTs, action under SARFAES1 Act, 2002, compromise settlement, monitoring and follow up of NPAs at various levels, etc. The Credit Information Companies (Regulation) Act, 2005 has been enacted to provide for regulation of credit information companies and to facilitate efficient distribution of credit and thereby arresting fresh accretion of NPAs. Credit Information Bureau (India) Ltd. has also been set up by a few select banks to disseminate information on borrowers to the banks enabling them to take informed and considered credit decisions. Due to concerted efforts, the net NPAs of the PSBs have reduced from Rs. 18,320 crore (3.11% of net advances) as on 31st March, 2004 to Rs. 14,614 crore (1.18% of net advances) as on 31st December, 2006.